

December 1, 2021

To: Mayor and Members of City Council 202103165

From: Paula Boggs Muething, City Manager

Subject: **Emergency Ordinance – Approving Property Sale and Development Agreement with TSMT, LLC for 218 Mulberry Street**

Attached is an Emergency Ordinance captioned:

APPROVING the City Manager to execute a *Property Sale and Development Agreement* with TSMT, LLC, for the sale of City-owned real property located at 218 Mulberry Street in the Mt. Auburn neighborhood of Cincinnati, for a residential development project consisting of approximately 10 residential units.

BACKGROUND/CURRENT CONDITIONS

218 Mulberry is a Cincinnati Land Reutilization Program (CLRP) property owned by the City of Cincinnati. The property is in the Mount Auburn neighborhood near the border of Over-the-Rhine and has been vacant land under City ownership for at least 25 years. The site is adjacent to the Main Street Steps, but the proposed sale will not impact the Steps.

On August 14, 2020, Urban Sites, in coordination with co-developer and adjacent property owner WDC, LLC, submitted a CLRP application to purchase 218 Mulberry to develop new residential. WDC, LLC owns 214 and 216 Mulberry as well as 217 Seitz. The site's appraisal exceeds the CLRP threshold and requires approval by City Planning Commission (received on May 7, 2021) and City Council.

The parcel is irregularly shaped and located in a Hillside Development District. Under the advisement of the City's Zoning Administrator development opportunities should be limited to only those where adjacent site consolidation is possible. Additionally, CLRP gives acquisition priority to abutting property owners.

DEVELOPER INFORMATION

TSMT, LLC is owned by Martin Wade and Marilyn (Scripps) Wade. Together they also own the adjacent properties through WDC, LLC. Co-developers TSMT, LLC (the buyer), and Urban Sites, LLC will lead this project. Urban Sites LLC is a Cincinnati-based real-estate developer owned by Greg Olson. As partners, TSMT, LLC and Urban Sites have developed and managed over 110 residential units in the city.

PROJECT DESCRIPTION

The co-developers will consolidate the 218 Mulberry site with adjacent properties at 217 Seitz and 214 and 216 Mulberry to construct a ten (10) unit residential building. The ten (10) units will consist of one-bedroom units at roughly 715 square feet, with projected rents ranging from \$1,200 to \$1,400. The proposed building will be four stories at Mulberry Street in the front and two stories at Seitz Street in the rear. The project's scope of work also includes on-site parking. Determination of final design details will follow Historic Conservation Board approval and Hillside Development District regulations.

The total project cost is approximately \$2.5 million, with the hard cost estimated to be \$2.3 million. The project will be funded entirely with developer equity. The construction plan currently includes a twelve (12)-month timeline. Based on the construction cost estimate, the Developers expect to create 12 full-time construction jobs during the construction period.

The sale of this property achieves Goal 3 of the Live Initiative Area of *Plan Cincinnati* (2012) (pages 164-178) by providing quality healthy housing for all income levels.

PROPOSED INCENTIVE

The Department of Community and Economic Development (DCED) recommends a direct sale of 218 Mulberry Street to Urban Sites, LLC for the appraised price of \$45,000.

DCED's recommendation is based on the following reasons:

- The parcel is irregularly shaped and in a Hillside Development District. The Department of Buildings and Inspections advises that any "development will almost certainly require consolidation with adjacent parcels." WDC, LLC owns the adjacent parcels.
- Per ORC 5722.07, the City has the authority to sell any land acquired as part of the Land Reutilization Program without competitive bidding.
- The City's CLRP Procedures manual indicates that "abutting property owners" such as Urban Sites/WDC LLC have priority acquisition rights for CLRP parcels.
- The proposal estimates the project will create 12 full-time temporary construction jobs
- The proposed sale, and subsequent development, are consistent with and achieve Goal 3 of the Live Initiative Area of *Plan Cincinnati* (2012).

PROJECT TEAM & TIMELINE

The project team (listed below) will make themselves available at the request of the council member(s).

- Assistant City Manager: William Weber
- DCED Director: Markiea Carter
- Project Attorney: Kaitlyn Geiger

The anticipated council timeline, which includes two Budget and Finance meetings, if necessary, is as follows:

- December 1, 2021: Introduction to City Council
- December 6, 2021: Budget and Finance (1)
- December 13, 2021: Budget and Finance (2)
- December 15, 2021: City Council for Final Approval

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. This Ordinance is emergency in nature so the development team can obtain the necessary site control needed to lock in their construction financing and begin work on the project.

Attachment: A. Property location and photographs

Copy: Markiea L. Carter, Director, Department of Community & Economic Development

Attachment A: Location and Photographs



Property Location



218 Mulberry Street